



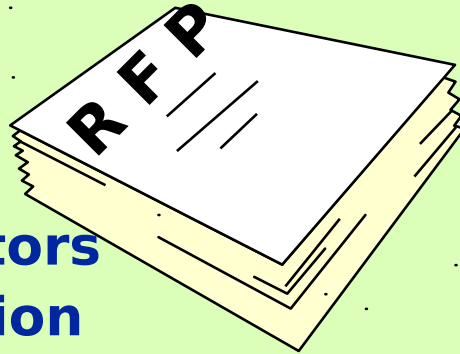
***SOURCE SELECTION***  
***Evaluation Phase***  
***AFFARS 5315.305***

**June 2000**

# First Analyze the RFP

## Section M

- Evaluation factors
- Basis for decision



## Factor and Subfactors

- Relative Importance
- Thresholds
- Objectives

## Offerors Proposal

- Evaluate what is submitted (Sect M)  
Against Factors (Sect M)



# *Threshold Performance Requirements in Section M*

- AFFARS 5315.304
- Baseline against which proposals are compared (qualitative or quantitative)
- Level which must be met to be “Green”
- Cannot be changed after proposals received
- Included in the RFP under Section M

# *Integrated Assessment*

MISSION CAPABILITY				
SUBFACTOR 1	SUBFACTOR 2	SUBFACTOR 3	SUBFACTOR 4	SUBFACTOR 5
PROP RISK 1	PROP RISK 2	PROP RISK 3	PROP RISK 4	PROP RISK 5
PERFORMANCE CONFIDENCE* *assessed at subfactor, rated at factor level				
PRICE/COST				

# *Mission Capability*

*AFFARS 5315.305(a)(3)(i)*

- Ratings are based on evaluation of subfactors
- Value of proposal determined in relation to the ***threshold*** and ***objective*** performance requirements
- Evaluation focuses on strengths and proposal inadequacies
- Color rating used

# *Mission Capability Subfactor Rating*

## ■ **Color Rating Used**

**Blue** **Exceptional**

**Green** **Acceptable**

**Yellow** **Marginal**

**Red** **Unaccepta  
ble**



# ***Color Definitions***

- **Blue - Exceptional** Exceeds specified min. performance or capability requirements in a way beneficial to the Air Force.
- **Green - Acceptable** Meets specified minimum performance or capability requirements necessary for acceptable contract performance.
- **Yellow - Marginal** Does not clearly meet some specified minimum performance or capability requirements necessary for acceptable contract performance, but any proposal inadequacies are correctable.

# Color Cautions

- Blue must be justified in way beneficial to *AIR FORCE* in performance not just something that assists contractor in meeting performance requirements (or that we like)
- Blue must be tied to subfactors
- Insure consistency in giving blue ratings – i.e. offerors with similar strengths should end up with the same color rating
- If objective performance requirements are met this should result in a blue rating



# Color Cautions

- Green is assigned when the offeror meets threshold performance requirements
- Green with strengths is still green
- Green with weakness is still green (weakness is evaluated under proposal risk)

# Color Cautions

- Yellow means proposal does not clearly meet threshold performance requirements
- Yellow conveys “just not sure” if requirement met or not
- Yellow indicates need for discussions
- Yellow should be *rare* by time of final proposal evaluation (by this point we will know if they are deficient (red) or meet requirement (green))
- Yellow is not a green with weaknesses

# Color Cautions

- Red means offeror clearly fails to meet threshold performance requirement
- Proposals with red are not awardable
- All deficiencies must be identified to offerors on EN form by checking the deficiency block

# *Proposal*

## *Risk AFFARS*

*5315.305 (a)(3)(ii)*

- ◆ **Identification and assessment of Risk Associated with an offeror's proposal approach**

- ◆ **Rated as:**

**High  
Moderate  
Low**



# *Proposal Risk Ratings*

- **High** - Likely to cause significant disruption of schedule, increased cost or degradation of performance. Risk may be unacceptable even with special contractor emphasis and close Government monitoring
- **Moderate** - Can potentially cause some disruption of schedule, increased cost or degradation of performance. Special contractor emphasis and close Government monitoring will probably be able to overcome difficulties
- **Low**- Has little potential to cause disruption of schedule, increased cost or degradation of performance. Normal contractor effort and normal Government monitoring will probably be able to overcome difficulties

# Proposal Risk (cont'd)

- Color evaluates “does the proposal say they can meet the requirements” whereas proposal risk answers the question “do we believe they can do it?”
- Focus is on risk and weaknesses of proposed approach
  - Includes potential for disruption of schedule, increased cost or degradation of performance
- Risk may be inherent in the state-of-the-art
- May result from a particular technical approach, subcontracts, materials or equipment
- Evaluated at the mission capability subfactor level
- Not rolled up to factor level

*Past  
Performance*



***It Can Tip the Balance.***

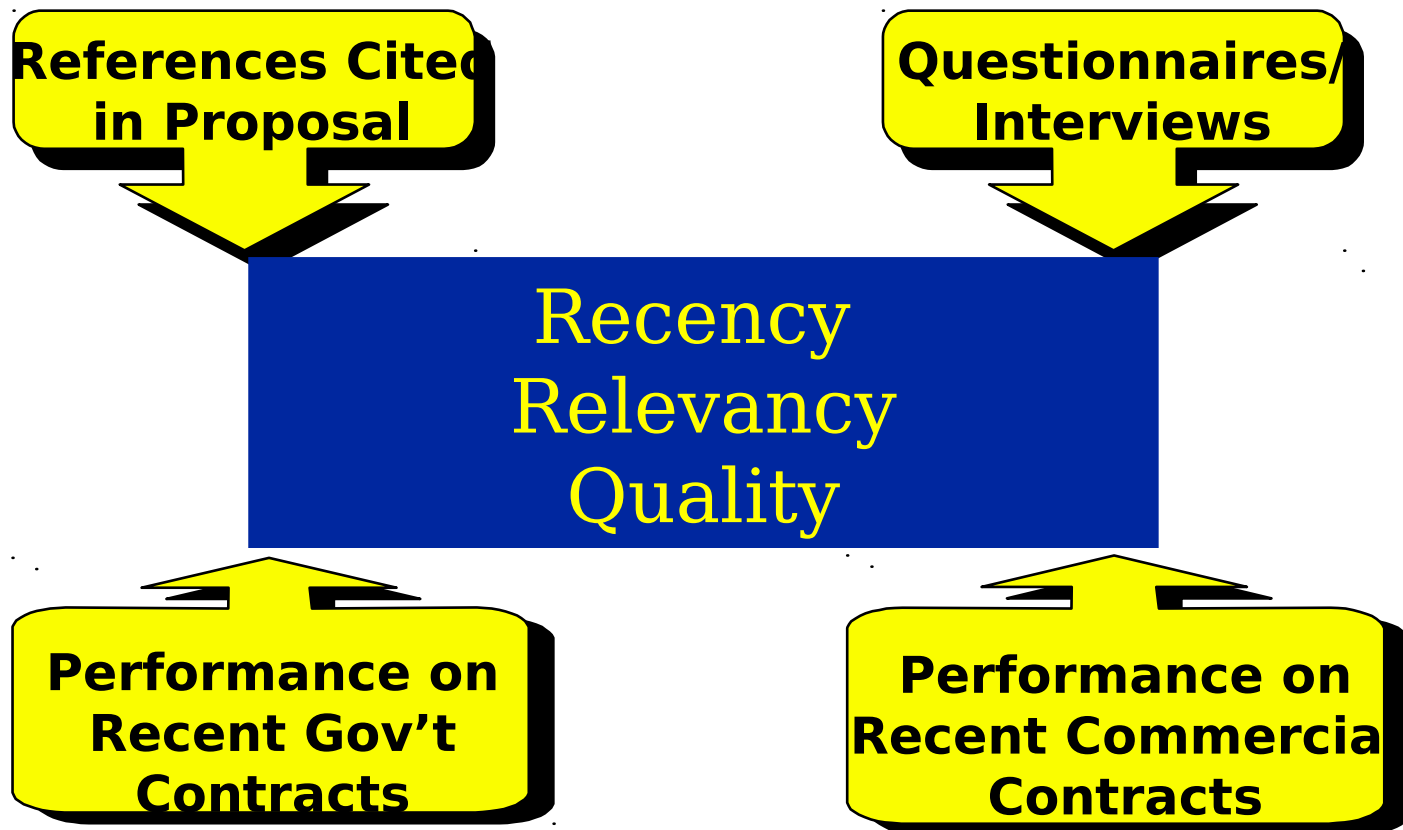
# Past Performance Assistance

*For additional assistance in understanding how to evaluate Past Performance, see the separate block entitled “Past Performance.” In addition to a training presentation there are tools to assist in understanding past performance relevancy and in documenting past performance.*



# *Past Performance*

- **Assessment of offeror's present and past work record**



*Past Performance:  
The FAR 15 and FAR 42  
Connection*

- FAR 42 discusses collection and documentation of Past Performance information
- FAR 15 discusses the use of collected Past Performance information in source selections

# *Past Performance*

- June 15, 2000 Oregon Iron Works, Inc., GAO Case B-284088.2
  - Addresses agency's consideration of past performance information more than three years old
  - FAR 42.1503(e) states past performance information shall not be retained to provide source selection information for longer than 3 years after completion of contract performance
  - This was reiterated in D.F. Zee's Fire Fighter Catering, B-280767.4, Sept. 10, 1999, 99-2 CPD 62
  - In this case offeror provided the information to the government
- **Decision:** Whether an agency can rely on past performance information for contracts that ended more than three years ago depends on whether the contractor itself proposed that the agency consider that information

# *Evaluation of Past Performance*



**Exceptional/High Confidence**



**Very Good/Significant Confidence**



**Satisfactory/Confidence**



**Neutral/Unknown Confidence**



**Marginal/Little Confidence**



**Unsatisfactory/No Confidence**



# ***Past Performance Confidence Assessment Definitions***

- **Exceptional/  
High Confidence**

**Based on the offeror's performance record, essentially no doubt exists that the successful offeror will successfully perform the required effort.**

- **Very Good/  
Significant  
Confidence**

**Based on the offeror's performance record, little doubt exists that the offeror will successfully perform the required effort.**

# ***Past Performance Confidence Assessment Definitions (cont.)***

- **Satisfactory/  
Confidence**  
**Based on the offeror's  
performance record,  
some doubt exists that  
the offeror will  
successfully  
perform the required  
effort.**
- **Neutral/  
Unknown Confidence**  
**No performance record  
identifiable  
(see FAR 15.305(a)(2)(iii)  
and (iv)).**

# ***Past Performance Confidence Assessment Definitions (cont.)***

- **Marginal/Little  
Confidence**

**Based on the offeror's performance record, substantial doubt exists that the offeror will successfully perform the required effort. Changes to the offeror's existing processes may be necessary in order to achieve contract requirements**

- **Unsatisfactory/  
No Confidence**

**Based on the offeror's performance record, extreme doubt exists that the offeror will successfully perform the required effort.**

# *Past Performance cont.*

- Assessed by focusing on performance related to mission capability subfactors but rated at factor level
- Obtain past performance references either through survey, phone calls, or both
  - NOTE: specific questions should be developed for *each* acquisition to focus on the specific mission capability subfactors of that acquisition
- Do not rely on information in proposal alone
- Rate neutral for no past performance but should be rare since past performance includes looking at key personnel
- Defense Contract Management Agency (DCMA) can be a valuable source of information
- Questions about past performance can always be considered clarifications (can ask pp questions and still award w/o discussions)



# Past Performance

## Cautions

- Must consider relevancy not just quality – this is why it is essential questions in questionnaires relate to mission capability subfactors
- Must consider recency – more recent performance should carry more weight
- Not always direct correlation between quality rating given on questionnaire and confidence assessment rating assigned (i.e. excellent quality in non-relevant work does not equate to exceptional/high confidence rating)
- Responses on questionnaires are only the starting point – ask questions until you understand what drove the rating given by the respondent

# *INTEGRATED ASSESSMENT*

## *(cont'd)*

Note: In past  
Technical team was  
not allowed to see  
cost information.  
This is no longer the  
case! All SSET  
evaluators get to see  
the cost data



### ❑ **Cost Reasonableness**

- **Yes or No**
- **Competition normally equals “Yes”**

### ❑ **Cost Realism**

- **Are resources adequate**  
**for proposed approach?**
- **Basis for “most probable cost” estimate**

# Most Probable Cost (MPC)

<b>Proposed</b>	<b>Rationale</b>	<b>MPC</b>
118 hours	Doesn't allow vacation or sick time	150 hours
\$20/hour	DCAA Audit of actuals	\$30/hour
G&A – 12%	DCAA Audit of actuals	G&A – 20%
\$2643.20		\$5400.00

# Understanding Most Probable Cost

*For additional assistance in understanding the development of most probably cost, see the separate block under source selection entitled “MPC”*

# *Awardability*

- Other aspects of the proposal
  - Proposed Terms and Conditions
  - Pre-Award Surveys
  - Required Certifications
  - Responsibility Determination (FAR 9)
- See AF Source Selection Procedures Guide at 1.5.6.3 for additional information

# *Integrated Best Value Decision - Tradeoffs and Judgment*

- “There is no requirement that...the SSA provide an exact quantification of the dollar value” of proposed superiority in making award to a higher-rated, higher-priced proposal, so long as tradeoff determinations are reasonable and consistent with the evaluation criteria.
  - Federal Contracts Report Vol. 73, No. 10 in reviewing A.G. Cullen Construction Inc, GAO, B-284049.2, 2/22/00

# *Documentation is Critical...*

- Initial Evaluation is done prior to competitive range determination
- Evaluation process repeated after final proposal revisions received to establish final ratings
- Worksheets and Evaluation Notices used to document evaluation process
- Proposal Analysis Report (PAR) summarizes evaluation
- Only final ratings (not interim) are briefed to SSA

# Summary

- **Results of Evaluation are used by SSA to make best value decision.**
- **All evaluation done and reflected in documentation needs to support this decision**
  - **Analysis of individual proposals**
    - **Isolate and Compare Strengths, Weaknesses and Risks for Each Proposal**
  - **Defining the Differences and Their Impacts**
    - **Quantitative**
    - **Qualitative**
    - **Areas Impacted**





# Exercises

# Evaluating Relevancy

## Situation #1

- ***You obtain past performance information from one offeror indicating that for this requirement personnel from their East Coast division will be used. All the relevant contracts provided by the offeror for consideration indicate the past performance points of contact for the company are key personnel that are assigned to their West Coast offices. Any comments?***

# Evaluating Relevancy

## Situation #1

***One offeror for this requirement proposes using personnel from their East Coast division and provides past performance points of contact on key personnel that are assigned to their West Coast offices. Any comments?***

- Performance can vary from one division of a company to another. Just because one area has excellent past performance standing, if none of the talent or organizational structure is being applied to your contract, you can not be assured that the same results will be achieved – you might have an overall impression of the company, but the best information will be on the performance of the key players being proposed for your effort.
- This would be something you would want to ask the offeror – they may have other contacts to suggest that would give you a higher level of confidence about the East Coast operation. OR this might lead you to ask additional questions (no rule against asking more questions than what you sent out on the questionnaire) to see if the company as a whole has a reputation for hiring excellent people and managing all their divisions well.

# Evaluating Relevancy

## Situation #2

- The acquisition you are supporting is for specialized medical assistance for physically handicapped children. Three firms have submitted proposals. You sent out your questionnaires and have responses on all three companies. A short synopsis of the companies follows. As you read the next slide consider the issues of relevancy raised and be prepared to discuss them.

# Evaluating Relevancy Situation

## #2

- Company A is a childcare center with 8 months experience. They do not currently care for any handicapped children. However, they propose hiring a specially trained nurse to assist with caring for the children. Her past performance is exceptional. Past performance responses indicate the firm is having some bumps in getting established. None of the managers have worked in the child care area. One supervisory has worked with children before; the other three came from the Greeting Card industry.
- The second company, Company B, has 20 years experience caring for injured animals. They have established a worldwide reputation for excellence in caring for crippled and maimed primates. 3 years ago one of the divisions of the company started caring for aged adults with physical disabilities. 2 years in a row this division has been awarded an excellence in service from the state inspectors. This is the division being proposed for your requirement.
- Company C is a start-up company composed of 5 primary staff members: 2 pediatricians, a physical therapist specializing in rehabilitation of children, a child psychologist and a pre-school teacher. The past performance information you collected indicates this team has over 50 years experience with children. Not one of the questionnaires or surveys conducted indicate any questionable performance issues. In fact, the overwhelming response is that these folks are top-notch performers.

# Evaluating Relevancy Situation

## #2

- *Company A – Although the past 8 months indicate some relevant PP experience, there is doubt about their ability to perform well. One of the key concerns is that they have not cared for children who are physically handicapped and there is overall limited experience caring for children. Although the nurse is proposed, how certain is it that she will be hired?*
- *Company B – Good corporate experience as a service provider but... they have never cared for children. They do have experience in dealing with physical disabilities and clearly provide more confidence than Company A. You might want to conduct further market research and talk to the state inspectors about similarities in operations of care for adults and children.*
- *Company C – Here is where the relevancy of the key personnel becomes critical. Although the company has no history, it is clear that by evaluating the performance of key personnel on this team you can have high confidence that they can care for handicapped children.*

# Putting Quality and Relevancy Together

- Read the following condensed rating summary and be prepared to discuss if you think the rating assigned was appropriate.
  - Be prepared to defend your position.
  - Focus on what you know about the requirement, the relevancy of the work evaluated and the quality of the work.

# Putting Quality and Relevancy Together

- Mission Capability Subfactor Facility Maintenance. The offeror will maintain base housing and transient lodging facilities. Emergency repairs will be rendered within 3 hours, 24 hours per day, 365 days per year. Emergency repairs relate to instances where residents are denied utility services. Routine repairs will be accomplished within 3 working days from 0800-1700 Monday - Friday (excluding holidays). *(Note: the SOW for this effort does not include any grounds maintenance.)*
- 

**Question from Past Performance Questionnaire:** How well did the contractor maintain facilities they were responsible for under this contract? Describe the type of facilities maintained.

## ***Evaluation***

- Offeror #4 The offeror has received high ratings from all his customers in his past efforts. All his prior works was in the area of ground maintenance. There were also three efforts identified for which the offeror was a golf course grounds subcontractor. All these efforts were given high marks. The total contract value of the work rated was less than one quarter the estimated value of this effort.
- Risk Rating: Marginal/Little Confidence



# Putting Quality and Relevancy Together

Facility Maintenance: Is the past experience of the offeror's work in the area of ground maintenance relevant to facility maintenance?

- Depends upon how relevancy is defined
- Could make a case for neutral rating because grounds maintenance and facility maintenance are not the same thing
- Could also argue that experience in managing workers doing grounds maintenance is similar to what is needed to manage workers providing facility maintenance services
- Technical personnel will need to assist in understanding if support of grounds maintenance is relevant to performing facility maintenance

# Putting Quality and Relevancy Together

Would the rating of marginal be appropriate if the work was determined to be relevant?

- *No, the offeror demonstrates good past performance. Reading the definitions you will see that the ratings above neutral reflect positive past performance; neutral is neither positive or negative and below neutral indicates a negative performance record*

Would the rating of marginal be appropriate if the work was determined to be non-relevant?

- *No, a marginal rating indicates poor past performance which in fact makes a statement about relevancy. When a determination of non-relevancy is made, the only appropriate confidence rating is neutral*

# Putting Quality and Relevancy Together

- *What additional efforts could be taken to obtain past performance information in this case?*

FAR 15.305(a)(2)(iii) states that evaluation should take into account past performance information that relates to “predecessor companies, key personnel who have relevant experience, or subcontractors that will perform major or critical aspects of the requirement when such information is relevant to the instant acquisition.”

# Taking the Average: Operation and Maintenance of Weather Satellite

- For this exercise you are an advisor to a source selection team that needs help. The team was in a rush and decided to save time and just tabulated past performance information. They took the average of results and made a determination of the best offeror.
- Using the chart provided to you (handout) and the information on the next slide explain the pitfalls of “taking the average” of past performance results

# Exercise: O&M of Weather Satellite

- Source Selection to obtain O&M services for a weather satellite for Far Flung Base. 70% of the effort consists of the satellite O&M.
- Contract will require the selected offeror to maintain a special test module which requires knowledge of dealing with isotopes. This sensitive module involves significant amounts of classified material transmitted over a classified network. The satellite contractor will not be maintaining the network; they will only be accountable for understanding computer security and assurance as it relates to the correct transmission and processing of classified electronic message traffic. 10% is associated with maintenance of the test module and the data transmission and processing requirements Although only 10% of effort, the highest risk to performance is associated with the special test module
- Other significant effort includes maintenance of a publication and technical library for all unclassified aspects of the satellite. 20% of the effort is associated with publication and technical library.

SCALE:			
5 Exceptional			
4 Very Good			
3 Satisfactory			
2 Marginal			
1 Unsatisfactory			
	<b>Atlas Labs</b>	<b>Beta Test Group</b>	<b>Consolidated</b>
<b>Question #</b>	average	average	average
	for quest.	for quest.	for quest.
<b>1. Performance in use of isotopes in support of satellite operation testing</b>	1.2	4.8	4.5
<b>2. Management of classified information</b>	1.3	4.5	4.5
<b>3. Performance in the area of computer assurance and security</b>	1.2	4.7	4
<b>4. Management of Publication and/or Technical Library for currency</b>	5	3	0
<b>5. Contract administration functions</b>	5	3	3.7
<b>6. Contractor's use of Small Disadvantaged Business entities in support of contract performance</b>	5	0	3.6
<b>7. Degree to which contractor maintained the required technical skills required for contract performance</b>	5	3.5	3.8
<b>8. Management of Subcontractors</b>	5	3.5	3.8
<b>9. Ability to effectively control costs</b>	5	3	4.2
<b>10. Business Relations with customers and process owners</b>	5	4	2
	<b>3.87</b>	<b>3.4</b>	<b>3.41</b>

# Discussion Points

- Average resulted in offeror with poorest performance in highest risk area getting highest average rating
- Average does not distinguish past performance of subs and prime as it relates to work they will accomplish
- More relevant projects are not given more weight
- More recent projects are not given more weight
- Ratings fail to explain basis for low ratings

# Group Exercises: Evaluation

- Refer to your handouts for the following exercises:
  - The first exercise will challenge you to determine if past performance evaluation documentation presents consistency in evaluation of offerors (consistency exercise)
  - The second exercise will be one in which you need to determine if the briefing chart develop for a median source selection appropriately reflects the basis for evaluation contained in Section M of the RFP (evaluation scenario #1)
  - The final exercise is one in which you are asked to determine if the narrative evaluation for a source selection are consistent with the ratings given by the evaluator (evaluation scenario #2)



# Consistency Scenario

Network Operations  
handout

# Consistency Scenario

Do you think the supporting information given for the ratings mesh with the definitions in FAR 5315?

- ***Offeror #1***
- Rating does not discuss quality of performance.
- Did evaluators conduct a reasonable search for relevant experience to include key personnel, predecessor companies and subcontractors?
- The rating is flawed and without more information a supportable rating can not be rendered
- **Offeror #3**
- Rationale for satisfactory rating does not flow based on relevancy and quality of performance

# Consistency Scenario cont'd

Do you think the supporting information given for the ratings mesh with the definitions in FAR 5315?

- ***Offeror #4***
- Little detail provided
- Doesn't address relevancy outside of magnitude
- Don't know what the quality (satisfactory/good) was attributed to in the evaluation of past performance
- **Offeror #6**
- Both have experience in all areas
- Satisfactory ratings are not supported since quality ranges from very good to exceptional for both prime and sub on relevant work

# Consistency Scenario

## (cont'd)

*Are the evaluations given to the offerors consistent? (Do they seem to fairly treat all offerors in a similar manner?) Can you read into the summaries any elements that impacted the ratings other than the performance records?*

- The evaluations are not consistent
- Offeror #3 and Offeror #6 Even though the performance records are similar and the relevancy of the work mirrors the requirement, the offerors we given significantly different ratings
- There appears to be a bias towards Offeror #6 because each party has done all the effort versus Offeror #3 where the effort is being divided between the prime and sub for Novell and NT based networks

# Evaluation Scenario #1

Briefing Chart  
handout

# Evaluation Scenario #1

## Discussion Points

- Strength in management of surge requirements – an areas that was not identified for evaluation
- Blue was given for strength in area not addressed in Section M and for good plan and chart – what is benefit to government of these strenghts
- Strength given for recruitment of new college graduates – why is is a strength? It may be a weakness since it is doubtful they have required clearances.
- Risk of low does not appear appropriate with comment that few staff even have secret clearances – would there really be a chance to get cleared people in line at TS level for contract start?

# Evaluation Scenario #2

Handout on A-76 Competitive  
Sourcing Action

# Evaluation Scenario #2

## Discussion Points

- Ratings are inconsistent and incorrect
- Section M stated that August 2000 was desired this would drive a blue rating for those proposing an August date, meeting the October date would render a green rating
- Risk is evaluation of “do you believe they can do it”
- Risk should be based not on how government has always done it but the offerors proposed approach
- Basis for a “belief” must be supported